

ConnectME Fund
Fourth Round Grant Application
February 2010

Due March 22, 2010

1. **Date:** March 19, 2010
2. **Project Title:** Wireless Broadband in Waldoboro, ME
3. **Submitting Entity:** Town of Waldoboro
4. **Grant Amount Requested:** \$113,889.35
5. **Total Project Cost:** \$275,000

6. Project Contact Information

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7. Party Who Prepared Application

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8. Executive Summary of the Project

The Town of Waldoboro is located in eastern Lincoln County, encompasses 73 square miles and has a population of 5,101 according to current Census data. The town is rural in nature and consists of commercial farmland and woodlots and also serves as a workforce pool for jobs in Augusta, Rockland, Damariscotta and other nearby towns. There is also a sizable population of seasonal residents who occupy summer homes. There are several commercial businesses throughout the town consisting of construction related, retail stores, farming, local markets and gas stations. The purpose of this request is to bring affordable broadband services to all residents and summer visitors. This would enhance educational opportunities for our children and provide a basis for our businesses to operate more efficiently and effectively as well as serving our summer residents.

Time Warner currently covers 72.46 miles of roadways of the 100.18 miles of town road. Not all customers along Time Warner's cable path are eligible for service via a standard

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cost free drop connection. Multiple potential customers have stated that they have been quoted charges of one thousand to several thousands of dollars to run cable to their residence which is considered to be outside the standard drop zone. These residents should therefore also be considered candidates for service from this ConnectME funded project. We estimate that nearly 400 locations cannot receive broadband service at this time.

9. The coverage area, by nature of wireless technology and the placement of antennas and repeaters, will cover as much of the town as feasible given the terrain. The attached map illustrates where the Time Warner coverage area is located. The remainder of the town is the primary target area for wireless service. As noted above, unserved customers in the Time Warner area are also candidates for service. Note: Red is current coverage and Blue is proposed coverage. We do realize overlap exists and will work with Time Warner or Fairpoint to assure them we will not compete in these areas.

10. A description of the proposed project, including:

MIS is a Maine based ISP that was started in 1995 and incorporated in 1997. We are a communications service provider as qualified by §9202 of the ConnectME law, have prior ConnectME experience, and participate in the ConnectME fund regular filings.

A description of the proposed project, including:

MIS proposes to build upon it's current yet small Waldoboro network by adding at minimum of 5 tower locations all 100' in height. Attached is intended coverage with each ring marking ½ mile.

We will use Alvarion 5ghz and 900mhz technology to provide links between the towers and customer or repeater sites. The Alvarion 5ghz equipment can provide up to 35mbit between locations, and the 900mhz can provide up to 8mbps; currently the best available. Any line of site installations would utilize the 5ghz links for better capacity, and non line of site customers would use 900mhz. This is the same 900mhz system that we deployed in three of the five Somerville tower locations and all locations in Jefferson. We have been ordering them on a regular basis since and have observed the manufacturer make improvements in product availability and distribution, software, and documentation. We have learned the finer points of it's operation along with Alvarion staff. We now feel comfortable recommending this 900mhz product for the project. The 5ghz gear is not a new product, but just an evolved version of a Wimax like product we have been using for about seven years now.

We can much more confidently say 10 months from town+ConnectME approval to finish.

Customers would have 2 megabit download and 1mbps upload to start, and could upgrade to higher speeds for additional expense. The basic service as described would

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be \$40/month and \$99 setup with a 1-year commitment and \$49 setup with a 2-year commitment

The town's contribution to the goal has been helping us with researching sites, providing demographic information regarding where coverage is needed. A lease agreement will be obtained with land owners to formalize our cooperation with regard to constructing and operating a tower on the site. We would propose a trade of services lease for a five year period.

A map of showing an estimate of coverage is provided. We do not expect the project to provide service outside of Waldoboro.

11. The total amount of funding requested from the Authority is \$113,889.35

a. MIS has been and will be contributing a mix of labor, technical skills including mapping, photogrammetry, tower climbing, construction, Internet experience, insurance, equipment, and coverage of unanticipated expenses. We have spent about \$2000 in labor researching options for Waldoboro using some of these skills. Insurance will be inexpensive, and unanticipated expenses could range from \$0 to \$10000 based on our prior experience. We expect to utilize about \$30000-35000 in labor for the project. We will also be adding equipment valued at about \$15000 to the Route 1 tower to complement the project. We will also be delivering Internet to Waldoboro for the project on our own network at our own infrastructure expense. After 50 installations, we will be purchasing solely at our expense any radio equipment needed to hook up customers; this is usually about \$400 average per customer. Amongst the first 50 installations, we will be supplying firewall routers for all customers at a cost of about \$30 each. Amongst the 900mhz customers in the first hundred installs, we are providing antennas and cabling for the 900mhz customers at a cost of about \$100 each. (5Ghz customers have integrated antennas). For more information about our contribution; please view attached spreadsheet.

12. 350+ household have the potential to receive our services from this project plan. Of that 350+ more than 100 are current dial-up users with MIS and we anticipate a strong amount of these users will switch to Broadband Wireless once available.

13. See attached letters for community support

14. Midcoast Internet Solutions, located in Rockland, Maine, was founded in April of 1995 as a local internet service provider and unix/tcp-ip networking resource.

We provide internet access and internet services for local companies, individuals, and educational institutions. We provide quality internet access and support for a geographic area extending from Bath to Belfast and many islands in and throughout midcoast Maine.

In addition to providing internet access, Midcoast Internet Solutions also has many

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needs to satisfy residential, business and commercial clients including but not limited to the broadband connectivity, Digital Phone & web hosting.

Midcoast Internet Solutions was the first internet provider in the Midcoast area. We were also the first company in the area that provides internet access via T1. We are also one of the first on the east coast to install and provide broadband connection via our fixed wireless technologies We have been using the Alvarion VL product line since 2002 which is the equipment of choice for the Waldoboro project. This equipment has been out for several years but still ranks as some of the best equipment available. A few things have changed since our beginning, but our outstanding track record for customer service has always been the same.

15. Please see attached confidential documents regarding financial information

Completed applications are due **March 22, 2010**. The ConnectME Authority will make application awards after a reviewing and ranking the applications, based on the availability of funds. Submit applications electronically or by mail to:

ConnectME Authority

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Financial Analysis and Budget

The budget will be reviewed on reasonableness and accuracy. Provide the following financial information with as much detail as possible:

	ConnectME Grant Funding	Cash Match	In-Kind Match	Other	Total
Personnel	0	0	10-15k		35-40K
Contractual Services	0	1000			\$1000
Start up Expenses and Capital Expenditures (Hardware, software, etc.)	113,889.35	0	57,800		\$171,689.35
Supplies and Materials	0	0	0		
Telecommunications	0	\$60,000	0		\$60,000
Training	0	0	0		\$0
Travel	0	0	\$3,000		\$3,000
Other costs overruns	0	Upto \$5,000	0		Up to \$5,000
Total	\$113,889.35	\$66,000	\$107-112K		\$270-275K

The ConnectME Authority reserves the right to request additional information deemed necessary to properly evaluate the application.

Please be aware that some of the information in the application may be made available to existing broadband service providers, as required by the ConnectME law and rule.

Confidential information may be submitted, but only those specific portions considered proprietary should be so marked (see also § 4 of the ConnectME rule).

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Appendix – Important Information

Information from Chapter 101

Applicants must be familiar with the ConnectME Authority rule, Chapter 101, and the authorizing statute, both of which may be found at <http://www.maine.gov/connectme/>.

Eligible Applicants. Any grants, direct investments, or loans under this Chapter will be made on behalf of, in partnership with, or in support of, one or more communications service providers that are remitting assessments to the Authority under 35-A M.R.S. A. §9211. Projects contained in approved proposals must be completed within one year of funding unless a waiver is granted by the Authority due to unique or unforeseen circumstances. The Authority must also determine that, without the Authority's action, the installation of adequate advanced communications technology infrastructure in an unserved or underserved area would not otherwise occur. Applicants eligible to receive Authority support for advanced communication infrastructure projects may include:

1. General-purpose local governments (municipalities and counties);
2. Local government authorities, and joint or multi-county development authorities;
3. Private for-profit companies that provide broadband; and
4. Any other responsible entity or group determined by the Authority to be capable of installing, using, and managing advanced communications technology infrastructure in the area.

Eligible Activities. Eligible uses of funds provided under the ConnectME Fund include activities, facilities, and services described in 35-A M.R.S.A. §§ 9204-9205. Eligible activities include: the provision of public infrastructure, services, facilities, and improvements needed to implement new broadband services, enhance existing broadband services, implement new mobile communications service, or enhance existing mobile communications service. Funds may also be used for matching requirements, “gap” financing, and grants, that may assist projects in qualifying for other sources of funding, as well as any other necessary activities that are integral and necessary for the development, installation, and use of a broadband or mobile communications system.

Evaluation of Applications

The application evaluation process will allow the Authority to concurrently evaluate all applications submitted during a particular application period that has been set by the Authority. The scoring of applications is based on a 100-point scale. A project with a total score of less than 50 points may not be funded. [Note: The priority of this grant program is **unserved** areas. A project that serves an underserved area may only be funded if funds are available after all eligible applications for projects to serve unserved areas have been funded.]

Be aware of the provisions in subsection 6(G) of the rule, Private Investment Criteria, which states that, after notice, a broadband service provider or mobile communications service

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provider may submit a certification to the Authority that it will commence within 45 days, and will completely install within one year of the date of the Authority's notification, sufficient advanced communications technology infrastructure to provide broadband or wireless service in a manner that would render the Authority's support of other projects in an area unnecessary or redundant (unless a waiver is granted by the Authority due to unique or unforeseen circumstances).

The application will be judged using the following four scoring categories:

Cost-Benefit. This category is worth **35** points.

The cost-benefit scoring is based on relevant factors, including, but not limited to, the amount of funding requested from the Authority per customer eligible to be served by the project, with lower funding per customer receiving a higher cost-benefit score. Applicants should demonstrate financial viability by providing pro-forma financial statements and detailed business plans. Confidential information may be submitted, but only those specific portions considered proprietary should be so marked.

Community Support. This category is worth **10** points.

The community support score is based on relevant factors, including, but not limited to, evidence of community support for the project and the percentage of the geographic area to be covered by the proposal that will be served by the proposed project.

Project Scope. This category is worth **35** points.

The project scope score is based on relevant factors, including, but not limited to,

- the number of customers to be served by the project,
- the type and, when relevant, the speed of service to be offered by the project, and
- the applicant's financial commitment to the project.

Note: Recent legislative changes to the ConnectME Authority statute (to 35-A M.R.S.A. §9204) ¹ state that, “(I)n awarding grants, the authority shall give priority to those proposals that, relative to other proposals, extend access to broadband service to a higher percentage of an unserved area within a municipality or other appropriate geographic area.”

Project Value. This category is worth **20** points.

The project value score is based on relevant factors, including, but not limited to, the estimated retail price per customer to receive service from the proposed project and any other details of the project that may benefit customers in the area proposed to be served by the proposed project.

¹ See Public Law, Chapter 63, (LD 850, HP 0585), 124th Maine State Legislature, “An Act To Ensure Local Broadband Coverage.”